Implementing a Physician-Organization Compact

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Virginia Mason Medical Center
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First, Some Background…

Virginia Mason Medical Center

- An integrated healthcare system
- 501(c)3 Not for Profit
- 336 bed hospital
- 9 locations (main campus and regional centers)
- 450 physicians
- 5000 employees
- Graduate Medical Education Program
- Research center
- Foundation
VMMC Providers: 1920
# Providing Health Care: Changing Culture

<table>
<thead>
<tr>
<th><strong>20th Century</strong></th>
<th><strong>21st Century</strong></th>
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<tbody>
<tr>
<td>Taking care of the sick</td>
<td>Promoting health and well-being</td>
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<tr>
<td>Physician-centered</td>
<td>Patient-centered</td>
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<td>Gestalt, an art</td>
<td>Evidence-based</td>
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<tr>
<td>Physician is the care team</td>
<td>It takes a village to provide the best care</td>
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<tr>
<td>Know it all</td>
<td>Know what to ask and how to find the answer</td>
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<td>Total patient care commitment, 24-7</td>
<td>Work hour restrictions, physician wellness</td>
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Year 2000: Time for Change

• Medicine
  ▫ Changing patient expectations
  ▫ Changing economics
  ▫ Changing provider expectations

• At VMMC
  ▫ Change in Leadership
  ▫ Economic challenges
  ▫ Concerns about the quality and safety of the care we provided
Our Strategic Plan

- **Vision**: To be the Quality Leader and transform health care
- **Mission**: To improve the health and well-being of the patients we serve
- **Values**: Teamwork, Integrity, Excellence, Service

**Strategies**

- **People**: We attract and develop the best team
- **Quality**: We relentlessly pursue the highest quality outcomes of care
- **Service**: We create an extraordinary patient experience
- **Innovation**: We foster a culture of learning and innovation

**Virginia Mason Team Medicine℠ Foundational Elements**

- Strong Economics
- Responsible Governance
- Integrated Information Systems
- Education
- Research
- Virginia Mason Foundation
Our Strategic Plan: A Working Document

- Aligned vision helps us focus our work and the strategies to achieve the vision
- Open all meetings with the plan and explain how the work is connected with the plan
- Annual organizational, divisional, and sectional goals are aligned to the plan
“Culture eats strategy”
Compact

- Expectations members of an organization have that are:
  - Unstated yet understood
  - Reciprocal
    - The give
    - The get
  - Mutually beneficially
  - Set up & reinforced by society and the organization
Traditional Physician Compact

**GIVE**

- Treat patients
- Provide quality care (personally defined)

**GET**

- Autonomy
- Protection
- Entitlement
VMMC Compact Process

• Fall 2000: Retreat
  ▫ Committee broad-based group of providers from primary care, specialty and services

• Winter 2001: Compact committee
  ▫ Primary care, specialty, service, patients, board members, legal, HR, CEO

• Spring 2001: Section meetings for input on the draft
**Organization’s Responsibilities**

**Foster Excellence**
- Recruit and retain superior physicians and staff
- Support career development and professional satisfaction
- Acknowledge contributions to patient care and the organization
- Create opportunities to participate in or support research

**Listen and Communicate**
- Share information regarding strategic intent, organizational priorities and business decisions
- Offer opportunities for constructive dialogue
- Provide regular, written evaluation and feedback

**Educate**
- Support and facilitate teaching, GME and CME
- Provide information and tools necessary to improve practice

**Reward**
- Provide clear compensation with internal and market consistency, aligned with organizational goals
- Create an environment that supports teams and individuals

**Lead**
- Manage and lead organization with integrity and accountability

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**Physician’s Responsibilities**

**Focus on Patients**
- Practice state of the art, quality medicine
- Encourage patient involvement in care and treatment decisions
- Achieve and maintain optimal patient access
- Insist on seamless service

**Collaborate on Care Delivery**
- Include staff, physicians, and management on team
- Treat all members with respect
- Demonstrate the highest levels of ethical and professional conduct
- Behave in a manner consistent with group goals
- Participate in or support teaching

**Listen and Communicate**
- Communicate clinical information in clear, timely manner
- Request information, resources needed to provide care consistent with VM goals
- Provide and accept feedback

**Take Ownership**
- Implement VM-accepted clinical standards of care
- Participate in and support group decisions
- Focus on the economic aspects of our practice

**Change**
- Embrace innovation and continuous improvement
- Participate in necessary organizational change
Hardwiring Compact

- **Job Descriptions**
  - Chief
  - Section Head
  - Physician
- Recruitment
- Orientation
- Feedback
- Compensation
Compact: Living Document

- Daily use (Chiefs, Section Heads, Providers)
- Monthly review of the Compact at Professional Staff Meetings
- Discussion at the provider’s annual performance review
- Compensation: Group Effort
Compact Process Recalibrates Expectations

- Journey as important as destination
- Iterative process for understanding and buy-in
- Mutual accountability (2-way street)
- We ALL change
Behavioral Expectations Are At the Heart of Culture

- Compact dialogue leads to specific behaviors needed to support the vision
- Consistent management of a compact helps the culture evolve to support the organization’s success
## VIRGINIA MASON MEDICAL CENTER PHYSICIAN COMPACT

### Organization's Responsibilities
- **Foster Excellence**
  - Recruit and retain the best people
  - Acknowledge and reward contributions
  - Provide opportunities for growth of leadership
  - Continuously strive to be the leader in recruitment and retention

- **Lead and Align**
  - Create alignment between work and personal values
  - Continuously measure and improve our performance

- **Listen and Communicate**
  - Share information regarding strategic plans and business decisions
  - Create a safe environment for feedback and communication

- **Educate**
  - Support leadership training and development

- **Recognize and Reward**
  - Provide clear and equitable compensation and performance

### Physician's Responsibilities
- **Focus on Patients**

### VIRGINIA MASON MEDICAL CENTER LEADERSHIP COMPACT

#### Leader Responsibilities
- **Organization's Responsibilities**
- **Foster Excellence**
  - Facilitate the recruitment and retention of superior board members
  - Provide a process for regular, written evaluations and feedback through annual board self-evaluation
  - Ensure safe and healthy environment at all times

- **Lead and Align**
  - Create alignment between mission and goals

- **Listen and Communicate**
  - Share information regarding strategic plans and business decisions
  - Ensure regular feedback and written communications

- **Educate**
  - Support leadership training and development

- **Recognize and Reward**
  - Provide clear and equitable compensation and performance

### Board Member's Responsibilities
- **Know the Organization**
  - Keep informed on developments as they relate to the business of the organization

- **Listen and Communicate**
  - Actively participate in board discussions
  - Provide information and tools necessary for board members to make informed decisions

- **Take Ownership**
  - Attend all board meetings
  - Ask timely and substantive questions at board and committee meetings

- **Promote Effective Change**
  - Promote innovation and continuous improvement

- **Preside over organizational change**

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## Two Kinds of Problems

Ron Heifetz

<table>
<thead>
<tr>
<th>Technical</th>
<th>Adaptive</th>
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<tr>
<td>• Problem is well defined</td>
<td>• Challenge is complex</td>
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<tr>
<td>• Solution is known or can be found</td>
<td>• To solve, requires transforming long-standing habits and deeply held</td>
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<tr>
<td>• Implementation is clear</td>
<td>assumptions and values</td>
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<td></td>
<td>• Involves feelings of loss, sacrifice (sometimes betrayal to values)</td>
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<td>• Solution requires learning and a new way of thinking, new relationships</td>
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“A leader has to engage people in facing the challenge, adjusting their values, changing perspectives, and developing new habits of behavior.”

- Ron Heifetz
Primary Care: Pre-Compact

- Primary focus was treating illness
- Loosely organized care team, poorly coordinated
- Commitment to care as a team
  - The work was figuring out how to get there
- Relations with specialty, surgery, services were collegial but discussions about obligations to each other had never happened
New Management Method: The Virginia Mason Production System

We adopted the Toyota Production System philosophies and practices and applied them to health. Basic tenets:

• Customer first
• Highest quality
• Obsession with safety
• Highest staff satisfaction
• A successful economic enterprise
5 Principles of Lean

- Specify what value is
  - Defined by the patient
- Identify the value stream
  - The entire set of actions that happen in order to produce a product or provide a service
- Make value flow without interruption
- Let the customer (patient) pull the value
- Pursue Perfection
The 7 Wastes

- Overproduction
- Waiting
- Transportation
- Processing
- Inventory
- Motion
- Making Defective Products
Value Stream Mapping

[Diagram showing Value Stream Mapping for a Cath Procedure - Current State]
Value Stream Mapping

Value Stream Map: Future State
Cardiac Catheterization Procedure

- Recovery Room
  - Assess Card
  - Discharge
  - Labs check
  - Call Discharge

- RN Assessment
  - Vital Signs
  - EKG
  - Labs check

- Proc. Prep
  - St Groove
  - Prep scrub

- Procedure
  - X-Ray
  - GS injection
  - Medication
  - JET

- Recovery Transport

- Lead Time: 18'
- Cycle Time: 18'
- Wait Time: 0'
- VA: 35'
- NVA: 23'
- LE NVA: 81%
The “Ambulatory ICU Project”
Intensive Outpatient Care Program

• In 2007 Boeing, Regence and Mercer approached VM to participate
• Aim: to reduce Boeing’s cost for those workers with the most costly health conditions by 15%—while improving their health status
Prevalence of Diseases
Intensive Outpatient Care Program

Hypertension 52%
Depression 46%
Chronic pain 40%
Chronic GI disease 34%
Diabetes 32%
Other psychiatric conditions 15%
Asthma 14%
Cancer 13%
VM Methods Influenced IOCP

- Patients remained with Primary Care Team
- Systems brought to Primary Care
- Safe, mistake-proofed, defect-free processes
- Waste-free processes
- Reliable care delivery
- All team members contributing to their highest level of skill and licensure
IOCP Results: Cost

20% Decrease in Annual Per Capita Claims

- Aggregate result across the three participating delivery systems
- Comparison includes supplemental fees to PCPs
- Savings calculation achieved at 89% level of statistical certainty, despite small sample size
## Aggregate IOCP Outcomes

<p>| % Change in Physical Functioning Score for IOCP Patients Compared to Baseline | + 14.8% |
| % Change in Mental Functioning Score for IOCP Patients Compared to Baseline | + 16.1% |
| % Change in Patient-Rated Care “Received as Soon as Needed” Compared to Baseline | + 17.6% |
| % Change in Average of Patient-Reported Work Days Missed in Last 6 Months Compared to Baseline | − 56.5% |</p>
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<thead>
<tr>
<th>Category</th>
<th>-100%</th>
<th>-80%</th>
<th>-60%</th>
<th>-40%</th>
<th>-20%</th>
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Medical Neighborhood: Requirements for Success

• Aligned vision, more than “we have to do it because this is the way they are paying us in the future”
• Discussion about the obligation of providers and the entity that provides the structure (compact)
• Strong physician leadership: attention to the adaptive changes in addition to providing the technical fixes
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